

AMENDED IN ASSEMBLY SEPTEMBER 8, 2011

AMENDED IN ASSEMBLY SEPTEMBER 2, 2011

AMENDED IN ASSEMBLY JUNE 16, 2011

AMENDED IN SENATE MARCH 22, 2011

**SENATE BILL**

**No. 922**

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**Introduced by Senator ~~Negrete McLeod~~ Steinberg**

*(Principal coauthor: Assembly Member John A. Pérez)*

***(Principal coauthor: Senator Rubio)***

*(Principal coauthors: Assembly Members Hayashi and Williams)*

February 18, 2011

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An act to add Chapter 2.8 (commencing with Section 2500) to Part 1 of Division 2 of the Public Contract Code, relating to public contracts.

LEGISLATIVE COUNSEL'S DIGEST

SB 922, as amended, ~~Negrete McLeod~~ Steinberg. Public contracts: public entities: project labor agreements.

Existing law sets forth the requirements for the solicitation and evaluation of bids and the awarding of contracts by public entities.

This bill would authorize a public entity to use, enter into, or require contractors to enter into, a project labor agreement for a construction project, if the agreement includes specified taxpayer protection provisions.

This bill would authorize the members of the governing board of a local public entity to choose by majority vote whether to use, enter into, or require contractors to enter into a project labor agreement for a specific project or projects awarded by that entity and whether to allocate funding to a specific project covered by such an agreement. This bill would prohibit a charter provision, initiative, or ordinance from

preventing the governing board of a local public entity, other than a charter city, from exercising this authority on a project-specific basis.

This bill would also provide that if a charter provision, initiative, or ordinance of a charter city prohibits the governing board's consideration of a project labor agreement for a project to be awarded by the city, or prohibits the governing board from considering whether to allocate funds to a city-funded project covered by such an agreement, then state funding or financial assistance may not be used to support that project, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. The Legislature finds and declares all of the  
2 following:

3 (a) Project labor agreements can provide significant benefits to  
4 taxpayers by insulating construction projects against uncertainties,  
5 promoting transparent competition, and ensuring a reliable supply  
6 of labor.

7 (b) Projects differ and project labor agreements differ. All  
8 taxpayers' interests are best served by ensuring that:

9 (1) All project labor agreements used for public projects must  
10 contain fundamental taxpayer protections.

11 (2) Local governments are free to choose whether to adopt or  
12 not to adopt project labor agreements containing these taxpayer  
13 ~~projections~~ *protections* for a particular project or projects.

14 SEC. 2. Chapter 2.8 (commencing with Section 2500) is added  
15 to Part 1 of Division 2 of the Public Contract Code, to read:

16  
17 CHAPTER 2.8. PROJECT LABOR AGREEMENTS  
18

19 2500. (a) A public entity may use, enter into, or require  
20 contractors to enter into, a project labor agreement for a  
21 construction project only if the agreement includes all of the  
22 following taxpayer protection provisions:

23 (1) The agreement prohibits discrimination based on race,  
24 national origin, religion, sex, sexual orientation, political affiliation,  
25 or membership in a labor organization in hiring and dispatching  
26 workers for the project.

1 (2) The agreement permits all qualified contractors and  
2 subcontractors to bid for and be awarded work on the project  
3 without regard to whether they are otherwise parties to collective  
4 bargaining agreements.

5 (3) The agreement contains an agreed-upon protocol concerning  
6 drug testing for workers who will be employed on the project.

7 (4) The agreement contains guarantees against work stoppages,  
8 strikes, lockouts, and similar disruptions of the project.

9 (5) The agreement provides that disputes arising from the  
10 agreement shall be resolved by a neutral arbitrator.

11 (b) For purposes of this chapter, both of the following definitions  
12 apply:

13 (1) “Project labor agreement” means a prehire collective  
14 bargaining agreement that establishes terms and conditions of  
15 employment for a specific construction project or projects and is  
16 an agreement described in Section 158(f) of Title 29 of the United  
17 States Code.

18 (2) “Public entity” means a public entity as defined in Section  
19 1100.

20 2501. The members of the governing board of a local public  
21 entity may choose by majority vote whether to use, enter into, or  
22 require contractors to enter into a project labor agreement that  
23 includes all the taxpayer protection provisions of Section 2500 for  
24 a specific project or projects awarded by that entity and whether  
25 to allocate funding to a specific project covered by such an  
26 agreement. A charter provision, initiative, or ordinance shall not  
27 prevent the governing board of a local public entity, other than a  
28 charter city, from exercising this authority on a project-specific  
29 basis.

30 2502. If a charter provision, initiative, or ordinance of a charter  
31 city prohibits the governing board’s consideration of a project  
32 labor agreement that includes all the taxpayer protection provisions  
33 of Section 2500 for a project to be awarded by the city, or prohibits  
34 the governing board from considering whether to allocate funds  
35 to a city-funded project covered by such an agreement, then state  
36 funding or financial assistance shall not be used to support that  
37 project. This section shall not be applicable until January 1, 2015,  
38 for charter cities in which a charter provision, initiative, or

- 1 ordinance in effect prior to November 1, 2011, would disqualify
- 2 a project from receiving state funding or financial assistance.

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